REMARKS

Claims **1-22**, **24-25**, and **27-28** were pending in this application. According to the April 21, 2006 Office Action, claims **1-22**, **24-25**, and **27-28** were rejected.

We have amended independent claims **1** and **12** and dependent claims **2-4**, **9-10**, **13-15**, **20-21**, **24-25**, and **27-28**. We have cancelled dependent claim **5-8, 11**, **16-19**, and **22**. We have added new independent claim **47** and new dependent claims **29-46** and **48-56**, which depend from claims **1, 12,** and **47**. The amendments do not introduce any new matter.

Accordingly, independent claims **1, 12,** and **47,** and dependent claims **2-4**, **9-10**, **13-15**, **20-21**, **24-25**, **27-46,** and **48-56** are under consideration.

Summary of Claim Amendments

We have amended independent claims **1** and **12** to recite particular embodiments that we, in our business judgment, have currently determined to be commercially desirable. We have added new claims **29-56** to further protect desirable embodiments.

We have amended dependent claim **2-4**, **9-10**, **13-15**, **20-21**, **24-25**, and **27-28** in view of the changes to claims **1** and **12**, and to further protect desirable embodiments. We have cancelled claims **7-8** and **18-19** in view of the changes to claims **1** and **12**, and have cancelled claims **5-6, 11**, **16-17**, and **22** to pursue other desirable embodiments at this time. We will pursue the subject matter of the previously presented claims and cancelled claims in one or more continuing applications.

Amendments to the Specification

We have amended the Specification at pages 8 and 24 to correct minor typographical errors.

Response to the Rejection of Claims under 35 U.S.C. § 103(a)

The Examiner rejected previously presented claims **1-22**, **24-25**, and **27-28** under 35 U.S.C § 103(a) as being unpatentable over May, U.S. Patent No. 6,317,727 (hereinafter May) in view of Silverman et al., U.S. Patent No. 5,136,501 (hereinafter Silverman) and in further view of Walker et al., U.S. patent No. 6,477,513 (hereinafter Walker). We respectfully submit that the Examiner has not made a *prima facie* case of obviousness under 35 U.S.C. § 103(a) with

respect to previously presented claims **1-22**, **24-25**, and **27-28**. In addition, we respectfully submit that neither May, Silverman, nor Walker, alone or in combination, teach, suggest, or disclose any of amended claims **1-4**, **9-10**, **12-15**, **20-21**, **24-25**, and **27-28**, and new claims **29-56**.

Specifically, to establish a *prima facie* case of obviousness, the Examiner has the burden of showing, in part, that there is "some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings" and that the prior art references when combined "teach or suggest all the claim limitations." (MPEP § 2143). With respect to previously presented independent claim **1** (and similarly, independent claim **12**), the Examiner appeared to indicate that it would be obvious to combine the teachings of Walker with that of Silverman, thereby obviating "*shutting off a trading account for the counterparty when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit*," as recited by these claims.

We respectfully submit that the Examine has failed to present any evidence of record that shows a suggestion or motivation to combine the teachings of Walker with that of Silverman. Specifically, the Examiner appeared to indicate that the suggestion or motivation to combine Walker with Silverman is that Walker discloses "to shut off a trading account … in order to block or inhibit a trade to take place due to credit limits." We submit that Walker discloses no such teachings. Specifically, Walker discloses a system that controls the establishing of an "escrow account" funded by a buyer "[o]nce [a] buyer and seller have executed a contract" and that controls the seller's "withdraw[ing of] funds from the escrow account" once the seller "perform[s] the terms of the contract." Walker also discloses that the account has a "finite lifetime" and that if the seller does not perform the terms of the contract by that time, the "buyer may … close the [account] and withdraw the deposited money." (Walker, column 6, lines 1-38; column 11, lines 40-45). As can be seen, Walker is not directed at trading accounts or credit limits, and does not teach, suggest, nor disclose "to shut off a trading account … in order to block or inhibit a trade to take place due to credit limits," contrary to the Examiner's assertion. Rather, Walker discloses the use of an escrow account and the closing of this account if the seller does not perform the terms of a contract. Accordingly, the Examiner has failed to present any

evidence of record that shows a suggestion or motivation to combine the teachings of Walker with that of Silverman.

In addition, even assuming, *arguendo*, that there is some suggestion or motivation to combine Walker with Silverman, the resulting combination does not obviate the above limitation of previously presented claims **1** and **12**. In particular, the Examiner indicated that while Silverman does "not explicitly teach shutting off a trading account, … Walker specifically discloses shutting off a trading account by closing the account." As indicated above, Walker is not directed at a trading account but rather, is directed at an escrow account and one does not teach or suggest the other. Accordingly, because neither Walker nor Silverman teaches "*shutting off a trading account*," the combination of these references also fails to teach such limitations.

We further submit that for the Examiner to rely on a reference as a basis for rejection of a claimed invention, the reference must be analogous prior art, or in other words, "'the reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned.'" (MPEP 2141.01(a)). Walker is neither in the field of our invention nor pertinent to the problem with which our invention is concerned in that Walker is not directed at trading and provides no suggestion or motivation for the shutting off of accounts when credit limits are exceeded. Accordingly, we submit that Walker is non-analogous prior art and cannot form a basis for rejection of previously presented claims **1** and **12**.

Furthermore, we submit that the Examiner has failed to indicate how Walker is in the field of our invention or how Walker is reasonably pertinent to the particular problem with which our invention is concerned and respectfully request that if the Examiner disagrees, that the Examiner present evidence as to why Walker is analogous prior art.

Accordingly, for the foregoing reasons, we submit that the Examiner has failed to make a *prima facie* case of obviousness under 35 U.S.C. § 103(a) with respect to previously presented claims **1** and **12**, and similarly claims **2-11**, **13-22**, and **24-25**, and **27** which depend from claims **1** and **12**, and as such, these claims are allowable over the combination of May, Silverman, and Walker.

In addition, we respectfully submit that neither May, Silverman, nor Walker, alone or in combination, teach, suggest, or disclose any of amended claims **1-4**, **9-10**, **12-15**, **20-21**, **24-25**,

and **27-28**, and new claims **29-56**. Specifically, amended independent claim **1** recites in part a method, comprising:

> suspending trading for the counterparty with all other counterparties with which the counterparty may trade when the accumulated position for the counterparty exceeds the trading limit.

May discloses a trading system in which "each … counterparty … provides … detailed credit preferences for each potential counterparty." Thereafter, the "credit preferences inputted by [a] counterparty with regard to [another] counterparty are referenced to determine the trade eligibility of either party with respect to the other for a particular financial transaction instrument." As May further discloses, a party may view "all the orders … available on a particular financial instrument" and based on the credit preferences, view the "relevant credit status" of each order and "execute a trade directly if the credit preferences of both parties permit." (May, column 5, lines 49-62; column 45, lines 45-65; column 47, line 39 to column 48, line 43). Accordingly, May discloses a system whereby the trade eligibility of counterparties is managed between pairs of counterparties and as such, May does not teach, suggest, nor disclose "*suspending trading for the counterparty with all other counterparties with which the counterparty may trade*" when, for example, the counterparty is ineligible to trade with one other counterparty.

Silverman discloses a trading system in which "[e]ach of the [counterparties] in the system assigns … credit limits to the other [counterparties] in the system with which it is desired to trade," with each pair of counterparties having a "gross counterparty credit limit [that is] the minimum of the two credit limits between counterparties." Thereafter, the system trades a new order against standing orders and "will keep trading [the new order] until its all done." As Silverman further discloses, "if in the course of matching [the new order against the standing orders the system] run[s] up against a credit limit which causes the gross counterparty credit limit to be exceeded, then the matching trade occurs up to the gross counterparty limit" and the remainder of the new order is then matched against other standing orders. (Silverman, column 2, lines 54-58; column 3, lines 18-60; column 18, line 21 to column 19, line 18; column 20, lines 21-27). Accordingly, Silverman discloses a system whereby the trade eligibility of counterparties is managed between pairs of counterparties and in particular, a system whereby each pair of

counterparties is allowed to trade up to their respective gross counterparty credit limit. Silverman does not teach, suggest, nor disclose, however, "*suspending trading for the counterparty with all other counterparties with which the counterparty may trade when the accumulated position for the counterparty*" with respect to another counterparty exceeds their respective gross party credit limit.

As for Walker, as indicated above, this reference is not directed at trading, trading limits, or the suspending of trading when trading limits are exceeded. In addition and as also indicated above, we submit there is no suggestion or motivation to combine the teachings of Walker with either May or Silverman, and that Walker is non-analogous prior art.

Accordingly, for the foregoing reasons we submit that neither May, Silverman, nor Walker alone teaches, suggests, or discloses the above limitations of claim **1** and that the combination of these references thereby also fail to obviate these limitations. Accordingly, we submit that May, Silverman, and Walker fail to teach, suggest, or disclose claim **1**, in addition to claims **2-4**, **9-10**, **24-25**, and **29-40**, which depend there from.

Turning to amended independent claim **12**, this claim recites limitations similar to claim **1** and as such, we submit that May, Silverman, and Walker also fail to teach, suggest, or disclose claim **12**, in addition to claims **13-15** and **20-21**, **27-28**, and **41-46** which depend there from, for the same reasons set forth above for claim **1**.

Turning to new independent claim **47**, this claim recites a method comprising:

> accumulating a value of a conducted trade by a counterparty with values of trades previously conducted by the counterparty to obtain an accumulated position for the counterparty;
>
> comparing the accumulated position for the counterparty with a trading limit assigned against the counterparty; and
>
> suspending trading for the counterparty when the conducted trade causes the accumulated position for the counterparty to exceed the trading limit.

We respectfully submit that neither May, Silverman, nor Walker, alone or in combination, teach, suggest, or disclose new claim **47**. Specifically, May discloses a system in which prior to a trade for a particular financial transaction instrument, "credit preferences inputted by [a] counterparty with regard to [another] counterparty are referenced to determine the

trade eligibility of either party with respect to the other for [the] particular financial transaction instrument." "Indication of whether a counterparty can enter into the proposed trade is [then] conveyed to the respective trader." (May, column 5, lines 49-62; column 45, lines 45-65; column 47, line 39 to column 48, line 43). Accordingly, May discloses a system whereby a particular financial transaction instrument is compared against credit preferences prior to a trade being conducted (as compared to after the trade being conducted) to determine the trade eligibility of the parties and as such, does not teach, suggest, nor disclose "*accumulating a value of a conducted trade...to obtain an accumulated position for the counterparty*" and then "*suspending trading for the counterparty when the conducted trade causes the accumulated position for the counterparty to exceed the trading limit,*" as claim **47** recites.

Silverman discloses a system whereby if a matching trade between two counterparties "causes the [respective] gross counterparty credit limit to be exceeded, then the matching trade occurs up to the gross counterparty limit." Thereafter, the counterparties will be blocked from trading. (Silverman, column 18, line 21 to column 19, line 18; column 21, lines 30-42). Accordingly, Silverman discloses a system whereby a matching trade is compared against a gross counterparty credit limit prior to the trade being completely conducted (as compared to after the trade being conducted) to determine if the gross credit limit will be exceeded and then allowing the matching trade to proceed up to the gross credit limit and blocking further trading. As such, Silverman does not teach, suggest, nor disclose "*accumulating a value of a conducted trade ... to obtain an accumulated position"* and then *"comparing the accumulated position ... with a trading limit ...; and suspending trading for the counterparty when the conducted trade causes the accumulated position for the counterparty to exceed the trading limit*," as claim **47** recites.

As indicated, Walker is not directed at trading, trading limits, or the suspending of trading when limits are exceeded. In addition, we submit there is no suggestion or motivation to combine the teachings of Walker with either May or Silverman, and that Walker is non-analogous prior art.

Accordingly, for the foregoing reasons, we respectfully submit that neither May, Silverman, nor Walker alone teaches, suggests, or discloses the above limitations of claim **47**, and that the combination of these references thereby also fail to obviate these limitations.

Accordingly, we submit that May, Silverman, and Walker fail to teach, suggest, or disclose claim **47**, in addition to claims **48-56**, which depend there from.

Conclusion

Since May, Silverman, and Walker fail to teach or suggest the present invention as now set forth in claims **1-4**, **9-10**, **12-15**, **20-21**, **24-25**, and **27-56**, we submit that these claims are clearly allowable. Favorable reconsideration and allowance of these claims are therefore requested.

We earnestly believe that this application is now in condition to be passed to issue, and such action is also respectfully requested. However, if the Examiner deems it would in any way facilitate the prosecution of this application, he is invited to telephone our undersigned representative at 212-294-7733.

Respectfully submitted,

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Date

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